

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission

On Its Own Motion

Published Price Index for Electricity  
pursuant to 83 Ill. Adm. Code 451

07-0071

ORDER

By the Commission:

In 83 Ill. Adm. Code 451, "Certification of Alternative Retail Electric Suppliers", the Illinois Commerce Commission ("Commission") has established certain financial qualifications for applicants seeking to provide alternative retail electric service. Subparts B, C, and D each contain similar requirements for those applicants subject to the respective Subpart. The language in Section 451.110(a)(4), pertaining to one criterion that an applicant possesses sufficient financial capabilities, is repeated in Section 451.220(a)(4) and Section 451.320(a)(4), and reads as follows:

The applicant certifies that it will offer to reimburse its Illinois retail customers for the additional costs those customers incur to acquire electric energy as a result of the applicant's failure to comply with a contractual obligation to supply such energy. The applicant's prospective obligation to reimburse Illinois retail customers shall be covered by an unconditional guarantee, payment bond, or letter of credit. Any dollar limitation on the unconditional guarantee, payment bond, or letter of credit shall equal not less than the product of 1080 times an estimate of the maximum number of megawatts [Section 451.320(a)(4) writes "MW" instead of "megawatts"] the applicant expects to schedule over the next twelve months times the average of the 45 highest daily market prices of electric energy traded during the previous year. Each January, the Commission shall choose a published price index for electricity for use in this subsection (a)(4). The daily market price of electric energy shall equal the published price index for electricity traded in Illinois, except, in the event that no price index for electricity traded in the State of Illinois is published, then the daily market price of electricity shall be determined by the use of a published price index for electricity traded at the nearest location to the State of Illinois. The unconditional guarantee, payment bond, or letter of credit shall be valid for a period of not less than one year.

In a Staff Report dated January 4, 2007, the Staff of the Energy Division of the Commission recommends that the Commission adopt the PJM Day-Ahead Locational

Marginal Prices ("LMPs") for the Northern Illinois Hub. PJM energy market data are available on the PJM web-site, by location, at an hourly level of detail.

Using the above-referenced data, Staff has computed daily averages of the 2006 hourly PJM Day-Ahead Locational Marginal Prices for the Northern Illinois Hub, and has sorted these daily averages to find the 45 highest values. The average of these 45 highest values, which Staff recommends using for purposes of 83 Ill. Adm. Code 451 during 2007, is \$60.63 per MWh.

The Commission is satisfied with the Staff analysis of prices and accepts the recommendations of the Staff Report.

The Commission, being fully advised in the premises, is of the opinion and finds that:

- (1) the Commission has jurisdiction over the subject matter of this proceeding;
- (2) the Staff Report dated January 4, 2007 should be made a part of the record of this proceeding;
- (3) the recitals of fact set forth in the prefatory portion of this order are supported by the record which consists of the Staff Report and are hereby adopted as findings of fact;
- (4) the index price proposed by Staff is reasonable and should be adopted.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that, pursuant to 83 Ill. Adm. Code 451.110(a)(4), 83 Ill. Adm. Code 451.220(a)(4); and 83 Ill. Adm. Code 451.320(a)(4), the index of \$60.63 per MWh is adopted for the purpose of setting the dollar amounts of any unconditional guarantee, payment bond, or letter of credit.

IT IS FURTHER ORDERED that the Staff Report dated January 4, 2007 is made a part of the record in this proceeding.

IT IS FURTHER ORDERED that a copy of this Order be served upon all parties to Docket 99-0614, each certificated alternative retail electric supplier, and the Attorney General of the State of Illinois.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 24th day of January, 2007.

(SIGNED) Charles E. Box

Chairman